

**GOVERNMENT OF INDIA
RAILWAYS
LOK SABHA**

UNSTARRED QUESTION NO:340
ANSWERED ON:02.12.2004
PURCHASE OF PSC SLEEPERS
Vijay Krishna Shri

Will the Minister of RAILWAYS be pleased to state:

- (a) the amount of the loss suffered by the Railways in the purchase of PSC sleepers at higher rates than lowest tendered rates;
- (b) whether there any proposal to get the matter inquired by CBI; and
- (c) if so, the details thereof?

Answer

MINISTER OF STATE IN THE MINISTRY OF RAILWAYS (SHRI R. VELU)

(a), (b) & (c) C&AG vide para 4.4.2 of Report No. 8 of 2004 has observed that failure to counter offer the updated rate of Railway Board tender No. CS-120/1997 in case of Railway Board tender No. CS-145/2000 resulted into extra expenditure of Rs. 30.97 crore and further through Audit Note dated 8.7.2004 it has been observed that due to updating of higher rate

(given in case of tender No. CS-145/2000) in tender No. CS-152/2002, Railways incurred additional extra expenditure of Rs. 30.61 crore in procurement of 160 lakh sleepers. Thus, C&AG has observed that Railways have incurred total extra expenditure of Rs. 61.58 crore in the above two tenders.

The Standing Committee on Railways 2004 (14th Lok Sabha) in their report presented in Lok Sabha on 19.8.2004 had noted that the procurement of concrete sleepers have become a very sensitive matter because a lot of unscrupulous existing manufacturers have formed a cartel to secure orders by unfair means or tampering with procedure and simultaneously keeping new competitors out of race. They also expressed their unhappiness that new entrants are not encouraged which ultimately strengthen the cartel of old/existing manufacturers. They recommended that the procedure of procurement of concrete sleepers be streamlined and be made foolproof and transparent and has desired that the losses incurred on this account should be enquired into by an independent agency.

CBI have requisitioned and taken all the relevant records including the tender documents, comparative statements, minutes of the Tender Committee etc. in respect of procurement of Concrete Sleepers from 1997 onwards.

Railway Board has forwarded the relevant paras of Report of Standing Committee on Railways (14th Lok Sabha) and C&AG's observations to CBI for keeping the same in view while scrutinizing the cases.

The case is under scrutiny by the CBI. Exact losses can be ascertained only on the outcome of the same.